

REPORT**DATE ISSUED:** September 4, 2009**REPORT NO:** HCR 09-088**ATTENTION:** Chair and Members of the Housing Commission
For the Agenda of September 11, 2009**SUBJECT:** Authorization to Amend the FY2010 Budget (Council Districts 3, 4, and 7)**REQUESTED ACTION:**

Amend the Housing Commission's FY2010 Budget to include \$2,484,000 in Community Development Block Grant-Recovery (CDBG-R) funds for the rehabilitation of low-income, multifamily rental housing.

STAFF RECOMMENDATION:

Forward for Housing Authority approval a request to amend the Housing Commission FY2010 Budget (Attachment 1) incorporating \$2,484,000 in CDBG-R funds for rehabilitation of 83 affordable rental units at Euclid Court Apartments, National Avenue Apartments, San Diego Apartments, and Trojan Avenue Apartments.

BACKGROUND:

Through the 2009 American Recovery and Reinvestment Act (ARRA), the U.S. Department of Housing and Urban Development (HUD) awarded stimulus funding to states and local governments to carry out, on an expedited basis, eligible activities under the CDBG program. The grant program under Title XII of ARRA is commonly referred to as the CDBG-Recovery (CDBG-R) program. The City of San Diego, as a CDBG grantee, received \$4,033,000 in CDBG-R funds. While a full range of CDBG activities is eligible, HUD strongly urged the funds to be invested primarily in economic development, housing, infrastructure and other activities that will quickly spur economic development, increase energy efficiency, and create or retain jobs.

In consideration of the stringent timelines for the expenditure and use of the CDBG-R funds, a list of affordable housing rehabilitation projects was forwarded by Housing Commission and City Planning staff to the City Council for review and approval (Attachment 2).

On June 1 and August 31, 2009, the City Council approved the rehabilitation hard construction costs for the Euclid Court Apartments, National Avenue Apartments, San Diego Apartments, and Trojan Avenue Apartments. All of the projects promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings, and they address the goals and objectives of the ARRA.

FISCAL CONSIDERATIONS:

Approval of this action will increase the Real Estate Department's Rehabilitation Rental Housing budget by \$2,484,000. The Housing Commission will not receive any funds to administer the agreements with the nonprofit owners on behalf of the City.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The opportunity for the community to participate in the CDBG-R allocation process included several City Council meetings and publicly-noticed comment periods.

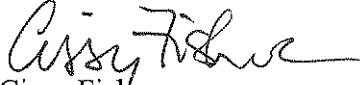
ENVIRONMENTAL REVIEW:

This activity is not a project within the meaning of the California Environmental Quality Act (CEQA) pursuant to Section 15060 of the State CEQA guidelines, and it is exempt from the National Environmental Policy Act pursuant to 24 CFR Section 58.34 (a)(3).

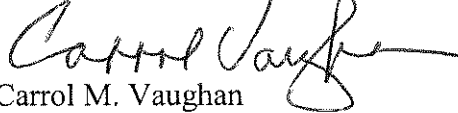
KEY STAKEHOLDERS & PROJECTED IMPACTS:

Stakeholders include nonprofit owners City Heights CDC (Euclid Court and San Diego Apartments), Bayview CDC (National Avenue Apartments), and the Chicano Federation (Trojan Avenue Apartments), and the residents of the properties affected by the rehabilitation.

Respectfully submitted,


Cissy Fisher
Vice President
Special Housing Initiatives

Approved by,


Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

Attachments: 1. Budget Amendment
2. List of Projects

Budget Amendment

Summary of Expenditures Rehabilitation - Rental Housing

	Current Budget	Proposed Revision	Proposed Budget
Salaries & Benefits	503,922	0	503,922
Services & Supplies			
Legal	1,500		1,500
Training			0
Travel	150		150
Contract/Consultant	312,768		312,768
Office Rent	65,696		65,696
Sundry	14,761		14,761
Insurance			0
Office Equipment			0
Total Services & Supplies	394,875	0	394,875
Housing Programs			
Loans & Grants	4,383,280	2,484,000	6,867,280
Relocation	304,500		304,500
Total Housing Programs	4,687,780	2,484,000	7,171,780
Total Budget	5,586,577	2,484,000	8,070,577

List of Proposed and Approved Projects

Project	Number of Units	Estimated Cost	Council District
40 th Street Apts.	16	\$264,000	8
Alta Vista	12	\$472,000	3
Canyon Vista	8	\$256,000	3
Euclid Court	11	\$418,000	7
Hawthorn Street	14	\$362,000	3
National Avenue	6	\$100,000	4
San Diego Apartments	16	\$266,000	3
Teralta Court	13	\$428,000	3
Trojan Apartments	50	\$1,700,000	7
Wightman Street	45	\$1,543,000	7
Stork Street	15	\$248,000	4